

## **XIV. THE AUTOMATED DETAIL INVOICE**

### **Overview**

#### **A. Contract Changes**

In recent years, the federal government has made revisions to the way State Medicaid programs implement Medicaid administrative claiming programs. A higher level of standardization is being required, including the following:

- Consistent methods to document time spent on Medicaid administrative activities;
- Some level of documentation of activities claimed as Medicaid administrative costs;
- Common methodology to determine the Medicaid Eligibility Rate; and
- Higher standards of documentation, including duty statements describing the Medicaid administrative activities performed by staff participating in a time survey.

To bring more standardization to the actual claim for Medicaid administrative activities, the State Medicaid Match Task Force, composed of LHJ representatives under the auspices of the Washington State Association of Local Public Health Officers, (WSALPHO) has modified an automated invoice that has been successfully implemented in local health departments in California to use as the supporting documentation for the A-19.

#### **B. Overview of the Invoice**

The objective of this section of the Manual is to explain the automated invoice, how it works and how to fill it out. The invoice documents:

- ALL expenses incurred by the claiming unit during the quarter being billed;
- ALL funding sources supporting the claiming unit; including funding that can be used as local match and funding that cannot be used for that purpose;
- ALL time spent on MAM activities during the quarter being billed; and
- The percentage of all clients served by the claiming unit that are enrolled in federal Medicaid programs.

With this data, the invoice automatically incorporates the data in the Funding/Revenue and Direct Charge Worksheets into the invoice and computes the amount of federal reimbursement.

#### **C. Before Entering the Data**

Before entering data into the invoice it is recommended that the following tasks be completed. This will expedite the completion of the invoice, and a better understanding of its structure.

1. Expenditures:

- Identify all staff with expenditures in the claiming unit for the quarter being claimed. Their personnel and benefit costs will be assigned to one of six Cost Pool(s), as discussed in **Section IID – Constructing Cost Pools below**.
- Identify other expenditures that can be assigned to specific employees (mileage, cell phone, etc.). The expenditures can be assigned to the same cost pool as the employee. If these other costs cannot be assigned to an employee, report them as “other costs” in Cost Pool 6. Make sure these costs are not in the agency’s approved indirect or overhead rate.
- With the assistance of an organization table, review the expenditures included in the agency’s indirect cost plan or federally negotiated indirect rate (FNIR) to assure there is no duplication between costs assigned to the indirect rate and expenditures that will be included on the invoice under salaries, benefits, or other costs. Overhead costs related to the claiming unit that is **not included** in the FNIR or overhead rate may be placed in Cost Pool #6.

2. Funding:

- Determine whether any of the cost related to Medicaid administrative activities is supported by a federal grant or its required match. If necessary, recognize that these funds are already being used to support the cost of MAM by “offsetting” them on the Funding Worksheet. This will ensure that no duplicate claims are made to the federal government for MAM activities that are already supported with federal funds.
- Classify fund sources by type, e.g., insurance, Medicare, etc.
- Determine the purpose of the funding (e.g., direct patient care, counseling, outreach) in order to allocate the funding to the appropriate cost pool.

*NOTE: While costs are assigned to a cost pool based on the workers assigned to that pool, assigning funding is determined by its **purpose**, not necessarily the associated workers. Because funding is normally for a service or product, it is often not identified with a worker or groups of workers in the same way that salaries and benefits are identified. The rationale for assigning a funding source to a specific cost pool should be documented and retained as part of the audit file.*

## II. Reporting Expenditures on the Invoice Worksheet

### A. Getting Started

The various worksheets that comprise the invoice have been written in Excel. Before using the invoice file/disk for the first time, it is recommended that a back-up copy of the file/disk be made.

The automated invoice and its supporting worksheets allow the preparer to enter expenditures, funding sources, activity percentages, discount percentages and heading information only once. The data entered on the supporting worksheets will automatically carry forward to other sheets. The lines and columns where data can be entered are marked with the word “**Enter**”; these cells are not shaded. All other sections of the invoice are automatically calculated and are shaded. FORMULAS and FORMATS MUST NOT BE ALTERED in any way, as this will distort the calculations, including the amount of federal financial participation (FFP). Cells containing formulas will be locked to reduce the risk of error in completing the invoice.

To start, make sure you have made a back-up copy of the invoice in case any of the formulas are accidentally typed over or deleted. Data to be input is obtained from internal sources, such as accounting system reports, spreadsheets, journals, payroll records etc. Only those data elements (cells) that appropriately reflect expenditures and funding sources applicable to the claiming unit and the quarter being claimed should be included. Once all the items are entered, the spreadsheet will calculate the amount of Federal Financial Participation (FFP) in the claim.

All data entered on the claim must have documented evidence linking it to the specified cost pool or funding source designation and must be maintained in the audit file. For example, salaries and benefits assigned to SPMP and reported in Cost Pool 1 should be evidenced by payroll documentation to show the expenditure of such salaries and benefits on individuals who qualify as SPMP.

A check-off list of materials that should be retained in an audit file (per your contract and the record retention requirements) is in the Quick Reference section of this manual.

### B. How to Enter Percentages

Cells that require a percentage to be entered have already been formatted to display as a percent. When entering percentage data in these cells, use the decimal form. For example:

35%	should be keyed as	“.35”
5 %	should be keyed as	“.05”
100%	should be keyed as	“1”

### C. Rounding

All numbers should be rounded to two (2) decimal places. If the third decimal place is a “5” or higher, round up. Otherwise, round down. For example:

35.674% should be entered as "35.67"  
12.075% should be entered as "12.08"  
49.463% should be entered as "49.46"

#### D. Constructing Cost Pools

For each quarter claimed, **all** costs and funding sources for the claiming unit must be assigned to one of the cost/funding source pools (CP) or be direct-charged. The Local Health Jurisdiction has the option of including all costs/funding sources for a program or to include only those costs/funding sources for the claiming unit that performs matchable activities and will be reimbursed through the claiming process. The second option is only permissible if the costs are in a separate budget unit and can be separately identified.

##### 1. Cost Pool 1 – Skilled Professional Medical Personnel (SPMP)

Staff whose costs should be included in Cost Pool 1 are:

- Staff who have been designated as Skilled Professional Medical Personnel (SPMP) and have participated in the time survey or have been doing continuous documentation.
- Clerical staff who only work for, are supervised by, and provide "direct clerical support" to the SPMP in Cost Pool 1, who did not time survey, and who are not a part of the indirect rate. (The table of organization must show that the clerical staff work exclusively for SPMPs in Cost Pool #1.
- Supervisors who only supervise the SPMP in Cost Pool 1, who did not time survey, and who are not part of the indirect rate.
- Supervisors of clerical staff who work for and provide "direct clerical support" only to the SPMPs in Cost Pool 1.
- Personal service contractors who participated in the time survey or are paid on a vendor basis, who have been designated as SPMP, and for whom an employer/employee relationship with the agency can be demonstrated. If paid on a vendor basis, appropriate documentation must support the cost of matchable activities performed.

*Note: If the clerical staff or supervisors split their time between cost pools and do not themselves participate in the time survey, and have costs that are not in the indirect rate, their expenses will be reported to Cost Pool #6 in order to be allocated between other cost pools, in proportion to their expense.*

##### 2. Cost Pool 2 – Non-SPMP

Staff whose costs should be included in Cost Pool 2 are the following:

- All other staff who participated in the time study.
- Clerical staff who work for the staff in Cost Pool 2 who are not part of the indirect rate.
- Supervisors of the staff in Cost Pool 2 who did not themselves time survey and are not part of an indirect rate.

- Supervisors of clerical staff who support only the employees in Cost Pool 2, did not time survey, and are not part of the indirect rate.
- Personal services contractors who have not been designated as SPMP and/or for whom an employer/employee relationship cannot be demonstrated. If paid on a vendor basis, appropriate documentation must support the cost of matchable activities performed by the personal services contractor.

### 3. Cost Pool 3a – Non-claimable

This cost pool includes expenses associated with staff in the claiming unit who did not participate in the time survey, are not administrative or support staff, and are NOT included in any of the other cost pools or on the Direct Charges Worksheet. This typically includes staff who provide fee for service direct patient care including treatment, counseling, clinical services, lab services, or other non-claimable activities of the claiming unit.

Cost Pool #3a also includes expenditures that have no relationship to Medicaid administrative activities – medical supplies and equipment, educational materials, malpractice insurance, etc.

### 4. Cost Pool 3b- Non-claimable balance from Direct Charges Worksheet (FORMULAS ONLY - DO NOT ENTER DATA)

This cost pool represents the difference between total costs reported in the Direct Charges Worksheet and the direct charges that are claimable. **Data is not directly entered into this cost pool.** These costs will be identified on the Direct Charges Worksheet, and automatically transferred to the invoice worksheet. The cells for this cost pool contain formulas and should not be altered. The costs in Cost Pool 3b are subsequently transferred to Cost Pool 3a, Line L, on the first page of the Detail Invoice.

### 5. Cost Pool 4 – Direct Charges Enhanced (FORMULAS ONLY – DO NOT ENTER DATA)

Cost Pool #4 represents expenditures reported on the Direct Charges Worksheet that are reimbursed at the enhanced rate of 75% FFP. **Costs are not directly entered into this cost pool.** These costs will be automatically transferred from the Direct Charges Worksheet to Cost Pool #4. The cells for this cost pool contain formulas and should not be altered.

### 6. Cost Pool 5 – Direct Charges Non-Enhanced (FORMULAS ONLY – DO NOT ENTER DATA)

This cost pool represents expenditures from the Direct Charges Worksheet that are reimbursed at the non-enhanced rate of 50% FFP. **Costs are not directly entered into this cost pool.** These costs will automatically be

transferred from the Direct Charges Worksheet to Cost Pool #5. The cells for this cost pool contain formulas and should not be altered.

#### 7. Cost Pool 6 – Allocated Cost and Revenue

Expenditures reported to this cost pool include general or administrative staff in the claiming unit who:

- Did not time-survey **AND**
- Whose costs are **not included** in any department/program (internal) or in the countywide (external) **indirect rate** – **AND**
- Whose costs are not direct charged – **AND**
- Who, by the nature of their work, provide administrative, supervisory or clerical support to staff in other cost pools.

The staff may include management, secretarial, fiscal, supervisory, and clerical staff not included in the other cost pools. Their cost will be automatically allocated to the other cost pools based in proportion to their personnel costs.

#### E. Entering Data on the Invoice

The Federal Government requires that actual expenditures for the quarter being claimed be reported. The disposition of federal funds may not be reported on the basis of estimates. Therefore, costs must be claimed when they have been actually incurred, not estimated. Line A: Enter the **salary** costs of the staff assigned to CP1, CP2, CP3a, and CP6.

Line B: Enter the **benefit** costs of the staff assigned to CP1, CP2, CP3a, and CP6.

Note: Benefits should be determined by the standard conventions of the accounting system. Exact amounts should be used if they are available. However, if these costs are normally computed as a percentage of salaries, use this method to determine benefit costs.

Line D: Enter the cost of **personal services contractors** in CP1, CP2, and CP3a.

Line H: Enter the **other costs** directly attributable to CP1, CP2, and CP3a if they can be properly identified. Otherwise, enter the “**other costs**” on line H of CP6 for allocation to the other cost pools. Generally, the “other costs” include the normal day-to-day and monthly operating costs necessary to run the claiming unit.

#### 1. The Indirect Rate

Internal indirect costs typically include the costs of a department’s administrative and office staff, as well as staff from legal, fiscal accounting, personnel, etc. External indirect costs typically include the costs of central control agencies, such as the County Executive, Human Resources, Prosecuting Attorney, etc. Combined together they are known as the Federally Negotiated Indirect Rate (FNIR) or overhead rate.

Indirect costs claiming principles for federally subsidized agencies are promulgated under the federal Office of Budget and Management (OMB) Circular A-87; therefore, indirect costs may be referenced as “A-87.”

External indirect cost rate plans (ICRPs), usually prepared through the county/city Auditor-Controller’s Office, must be submitted to and approved by the State Controller’s Office. Internal ICRPs must be prepared and on file with the LHJ for each claiming unit. Both these plans must be prepared in accordance with the provisions of OMB Circular A-87 to withstand an audit. **Under no circumstances should the costs of staff included in either the indirect cost rates or Direct Charges Worksheet also be included as a specific cost in any of the cost pools. This would be double claiming.**

The indirect rate is entered on the Other Information Worksheet as a percentage. A claiming unit may have a federally or a state approved indirect rate, and should indicate the one being used on the appropriate line. A claiming unit’s approved indirect rate may apply to personnel costs or to all costs. There is a line on the Other Information Worksheet to indicate whether the indirect rate applies to personnel or to all costs.

Once the indirect rate is entered on the Other Information Worksheet, indirect costs are automatically calculated and reported on Lines HA or HB of the invoice.

## 2. Other Costs

Attachment 3 identifies costs that may be included in “Other Costs.”

If they are not otherwise included in the indirect rate, costs that may be included as allowable other costs include:

Office supplies	Facility security services
Printing and duplication costs	Agency publication and advertising costs
Personnel and payroll services costs	Professional association affiliation dues
Office furniture	Legal representation for the agency
Computers and software	Data processing costs
Purchased clerical support	Office maintenance costs
Utility costs	Repair and maintenance of office equipment
Vehicle rental/amortization and fuel	Property and liability insurance (excluding malpractice insurance)

Building/space costs (with capitalization limits)

Indirect costs when determined to be in accordance with OMB Circular A-87

### III. Entering the Medicaid Eligibility Rate (the MER)

The MER to be used for the claiming unit for the quarter being claimed is entered on the Other Information Sheet at Line G13. Once entered here, the invoice populates pertinent cells with the MER. The exception is the “Other Costs” section of the Direct Charges Worksheet, where the MER applicable to the specific charge is entered.

The MER is applied to Medicaid allowable activities. Some activities use a 100% MER; others must be discounted by the percentage of clients in the claiming unit who are on Medicaid. The MER is based on the percentage of clients served by a claiming unit who are on Medicaid, and is created for each quarterly claim using data from the prior quarter. See Section VIII of this manual for additional information.

Activity codes that use a 100%, non-discounted MER are identified on lines AA, AC, AH, AL, AM, AU and AV of the invoice, and listed below. A percentage of 100 percent has been put into the spreadsheet for these activities and **must not be altered**.

- Medicaid Outreach (AA)
- Facilitating Medicaid Eligibility (AC)
- Outreach for Oral Health for Medicaid Children (AH)
- Arranging Transportation for Medicaid Services (AJ)
- Interpretation for Direct Medical Services for Medicaid Clients (AL)
- Interpretation for Medicaid Outreach (AM)
- Medicaid Claims Coordination/Claims Administration (AU)
- MAM Implementation Training (AV)

### IV. Entering Time Survey Activity Percentages

Lines AA-AZ: Enter Random Moment Time Study percentages for Cost Pool #1 and Cost Pool #2. The percentages for claiming units using the Random Moment Time Surveys may be found in the quarterly report of time survey results that is sent to each LHJ coordinator by the WSALPHO contractor. The results for SPMP should be entered in Cost Pool #1. Non-SPMP results are entered in Cost Pool #2.

Claiming units that use continuous documentation should aggregate all time reported by staff whose costs will be included in the invoice by activity code, and determine the total percentage of time spent on each, for both SPMPs and non-SPMPs. Working papers that support this calculation should be maintained in the audit file.

The total time reported to the activity codes for each cost pool must equal 100 percent. Remember to enter the percentages in decimal form.

## V. The Funding Worksheet

### A. Overview

The Funding Worksheet identifies **ALL** funding sources supporting expenditures reported on the invoice. Funding sources reported on the Worksheet should equal or exceed the costs reported on the invoice. Only funding that supports expenditures included in the claim will be reported on the Funding Worksheet.

*To offset funds means to subtract funds received for a specific purpose from the expenses associated with that purpose.*

Some funds may need to be offset on the Funding Worksheet to determine the net cost that will be matched by the Federal Government. Funding should be offset to the applicable cost pool based on its purpose.

The purpose of offsetting funding against cost is to arrive at the net cost in which the Federal Government is willing to share. In determining when to report funding, each claiming unit should consult its annual budget.

Funding should generally be recorded against the corresponding cost of the period. If it is anticipated that funds will be received at one time for the entire year, it is reasonable to divide these funds to report a portion of them on each quarterly claim. If the entire annual revenue is reported in one quarter, it may more than offset that quarter's cost, resulting in the need to refund money to the Federal Government because costs were overstated in other quarters within a given fiscal year.

Unanticipated revenue for the current fiscal year, or for a prior fiscal year not previously offset, should be offset in the current fiscal year as explained above. Should the aforementioned revenue be received in the last quarter of the current fiscal year, it must be reported in that quarter.

The purpose of the Revenue Sources/Funding Worksheet is to list **ALL** funding sources of the claiming unit. To arrive at the net cost that will be the basis for federal reimbursement, it is necessary to offset all non-claimable funding sources. This ensures that the amount of the claim is adjusted downward by the amount of federal funds (including match) being used to support matchable activities.

### B. Offset Funds

The following are funds that must be offset; (i.e. subtracted from applicable costs before the net reimbursable cost is determined, and the amount of Federal Financial Participation (FFP) is established.

1. All Federal grant or contract funds, along with maintenance of effort and other state/local matching funds that are required by the federal grant/contract must be

offset against the applicable Cost Pool. (If the grant pays for direct patient care, then it would be assigned to CP#3 as a non-claimable expense. If the federal grant specifically pays for activities that can be claimed under Medicaid administration, then this revenue must be assigned to the employee's Cost Pool and offset from the claim.

*EXAMPLE:*

- *A federal grant pays for a program that provides outreach to improve access to and use of prenatal care services for homeless women.*
  - *The grant covers a nurse, limited operating costs, and a modest indirect rate.*
  - *Total funding (for the nurse) is \$45,000.*
  - *The time survey results show that the nurse spent 40% of her time on Medicaid administrative activities, and 60% of her time on non-allowable activities.*
  - *40% of his/her cost (or \$18,000) of the grant would be offset to Cost Pool #1, on the row called "Federal Grants", and \$27,000 offset to Cost Pool #3.*
2. All state general funds previously matched to the Federal government for other grants or contracts.
  3. State and local general funds as well as private funds specifically earmarked for the delivery of non-matchable activities (direct patient care, public education, etc.).
  4. Insurance or fees collected from non-governmental sources for the delivery of direct client services must be offset if the related expenses are included in the invoice.

If revenue does not fall into one of these categories, it may be used as "match" for Medicaid Administrative Match (MAM) claiming, and not offset. Non-offset revenue is reported in the column identified as "Not Offset Funds" of the Funding Worksheet, on the row that is appropriate to its source. Again, this is revenue available as "match" to the invoice and would normally be revenue like state or county general funds that have not otherwise been matched to another federal grant or contract, or allocated for another purpose other than MAM activities.

C. Reporting Funding Sources

All the funding supporting the claiming unit should be reported in one of the seven sections of the Funding Worksheet. Each section is for a different type of revenue, as follows:

- Medicaid fees and the applicable match
- Federal grants/contracts and applicable match
- State general funds
- County general funds
- Insurance
- Fees
- Other Funding

If extra lines are required for a particular section, they should be inserted just above the “Total” line. The formulas will not be affected by the additional line(s) if so inserted. Adding lines to the Funding Worksheet may cause the worksheet to print out on multiple pages. All pages must be submitted with the invoice.

List the name of the funding source in the first column, along with the appropriate reference to the general ledger account. Do not use abbreviations.

Use the “Purpose” column to identify the purpose of each funding source. This should be brief, but descriptive enough that the reviewer can determine if the funding has been assigned to the proper cost pool.

#### D. Assigning Funding Sources to Cost Pools on the Funding Worksheet

Before entering any data on the Funding Worksheet, please follow these steps:

- Classify funding sources by type, i.e., insurance, Medicare, etc.
- Determine the purpose of the funding, i.e. direct patient care, counseling, outreach, etc.
- Assign the funding source to the appropriate cost pool.

The “Not Offset Funds” column is for identifying those funding sources that do not need to be offset against costs. As stated above, this would include county general funds, and all other general purpose funding sources that may be used to support the performance of Medicaid administrative activities. The total amount of “Non-Offset” funds should be equal to or greater than the total cost of MAM-related activities for which federal reimbursement will be earned. If the amount of “Non-Offset” funds is less than these costs, then it can be assumed that federal, non-matchable funds are being used to pay for the cost of matchable activities, and they will need to be offset. This will result in a net reduction to the amount being claimed.

The remaining columns on the Funding Worksheet are for assigning funding sources that must be offset to the appropriate cost pool. Each section has columns identifying the cost pools that may be offset. “XXX’s” have been inserted where it is **not** appropriate to assign funding sources.

In this part of the invoice, remember that cost pools are associated with the purpose of a funding source, not its expenditures.

- Funding sources that are NOT associated with any particular activity or NOT identified to a specific cost pool, but should be offset against the claiming unit because of their purpose, should be assigned to Cost Pool #6. This allocates the funds to be offset to the other cost pools based on total costs.
- Funding requiring offset, which is received for activities that are being direct charged, must be assigned to Cost Pool #3, Cost Pool #4 and/or Cost Pool #5 in accordance with the applicable percentage of cost allocated to non-claimable, enhanced, and non-enhanced activities.

- Funding supporting non-claimable, non-administrative activities (billable services and direct patient care as well as operating expense that has no link to Medicaid administrative activities - medical supplies, malpractice insurance, etc.) should be assigned to Cost Pool #3.

**Only funding sources for MAM where costs are in Cost Pool 1 or Cost Pool 2 should be assigned to Cost Pool 1 or Cost Pool 2 on the Funding Worksheet. Funding sources for non-claimable activities should be assigned to Cost Pool 3.**

*For example, a Public Health Nurse who performs both matchable and non-matchable activities participates in the time survey. All expenditures directly related to this nurse will be assigned to Cost Pool 1. Funding received for payment of direct health care should be assigned to Cost Pool 3. Funding for any other non-matchable activity should be also assigned to Cost Pool 3. **ONLY funding received for matchable activities of this nurse should be assigned to Cost Pool 1.***

Once all the funding sources have been assigned, the Funding Worksheet will automatically add the columns and transfer them to the Invoice Worksheet . The Funding Worksheet contains a certification statement and must be signed and submitted with the completed invoice.

## **VI. The Direct Charges Worksheet**

Allowable costs for time and resources related to the MAM Program are determined through either a time survey or are separately identified and direct-charged. The purpose of the Direct Charges Worksheet is to capture costs determined through methodologies other than the random moment time survey or continuous documentation of all activity.

Costs to be direct-charged must be tracked on an ongoing basis throughout the fiscal year. These costs are separately itemized on the Direct Charges Worksheet and included in the audit file maintained by the LHJ.

### **A. Categories of Direct Charges**

There are six categories of costs that may be direct charged:

1. MAM Coordination and Claims Administration.
2. Other matchable activities.
3. MAM contracts with “specific” matchable activities in their contracts.
4. Other costs that can be easily identified as specifically pertaining to the performance of matchable activities.
5. Contracted Interpreter Services Program costs.

## 1. MAM Coordination and Claims Administration

Direct charging is permitted for the costs of staff performing MAM Coordination and Claims Administration at the LHJ level or MAM Claims Administration at the claiming unit level. These activities are not reduced by the Medicaid Eligibility Ratio. Each staff performing the activity must be separately listed with the corresponding percentage of time identified. By signing the Direct Charges Worksheet, the preparer certifies the percentage of time associated with MAM Coordination and Claims Administration. A separate certificate statement is not required.

Direct charging is also permitted for the “Other Costs” of staff performing MAM Coordination and Claims Administration. For example, other costs that may be direct charged include printing costs, directly related travel, or equipment used exclusively for the execution of the MAM Program.

## 2. Other Matchable Activities

Direct charging may also be used to report costs for staff that perform one matchable activity only. This activity may be performed 100% of the time, or may be episodic in nature. In either case, the individual will need to document the time spent on this activity, and include QA documentation for all activity. Costs reported on the Direct Charges Worksheet should be backed up with a description of the methodology used to calculate the allowable costs.

The allocable share of salaries and benefits may be claimed for staff performing a single matchable activity. In addition, directly related operating costs may be included, as well as a fair share of the approved indirect rate, and any other allocable agency overhead costs.

## 3. MAM Contractors

If a claiming unit enters into a subcontract for the performance of Medicaid administrative activities, the costs may either be direct charged or reported on a separate invoice. Costs may be direct charged when the scope of the contract includes the specific Medicaid administrative activities that will be performed, the staff who will be performing the activity, the amount for each unit of Medicaid administrative activity performed, and pertinent deliverables.

## 4. Other Costs

Non-personnel costs associated with the performance of MAM activities may also be direct charged. The activity associated with these costs must be identified. Additionally, it must be determined whether the cost must be reduced/factored by the Medicaid Eligibility Ratio. The discount factors for non-personnel costs may be different from the staff performing MAM activities.

## 5. Interpreter Program Costs

The Direct Charge Worksheet may be used for claiming expenses associated with the DSHS Interpreter Services Program, when the LHJ has an agreement with DSHS for this program, and has certified or qualified interpreters performing the activities. Claiming unit staff who are performing interpreter services under such an agreement may be direct charged, if interpreting is all they do.

The costs of contracts for interpreter services may also be direct charged. Interpreter services must be documented per the terms of the DSHS agreement, and the actual time spent on the three allowable interpreter activities must be kept on an ongoing basis.

Interpreter services are separated out of the FFP claim on the Invoice Worksheet so that they may be reported to a separate A-19. Once the claiming entity reports actual interpreter time and/or expense, the invoice automatically calculates the amount of FFP.

### C. Organization of the Direct Charges Worksheet

The Direct Charges Worksheet is divided into a grid. Enhanced and non-enhanced costs are reported in two parallel columns (Section 1 is for enhanced costs, Section 2 for non-enhanced). The grid also contains three horizontal sections. The first is for agency costs where the 100% MER will be applied, the second for agency costs where a discounted MER is used. The third section is used to report costs that would fall into Category 3,4, or 5 of the direct charges listed above – contract costs, other (non-personnel related) costs of the agency, and contracts for the DSHS Interpreter Services Program.

Separate columns have been set up for reporting salaries, benefits, travel/training, personal services contracts, and other costs related to each of the direct charged activities. The MER does not need to be entered in Part 1 or Part 2. The 100% MER remains constant in Part 1. The claiming unit's discounted MER is entered in Part 2 from data entered in the Other Information Worksheet.

Supporting documentation for each of the expenditures reported on the Direct Charge Worksheet is to be maintained in the claiming unit's audit file. This includes descriptions of any methodologies used to allocate or assign costs that will be direct charged.

When determining which costs are to be direct charged, remember that those costs cannot appear anywhere else in the invoice because this would result in duplicate claiming. Costs are entered in unshaded cells only.

## **VII. The A-19**

The automated invoice contains the information needed to populate the MAA form that summarizes the claim for federal reimbursement – the A19. The invoice populates the data needed for the A-19 automatically.

Separate worksheets in the invoice have been created for the A-19 forms that will be used for the MAM claim, the DSHS Interpreter Services claim, the Vaccine Quality Improvement claim, and the Outreach and Access for Oral Health for Medicaid Children claim. Each of these A-19 forms will be submitted to the designated program manager in MAA. A signed copy of the invoice, along with the funding, the direct charge, and the other information worksheets should be submitted with each A-19 form.